

Message Text

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PAGE 01 KUWAIT 02589 301335Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----120831 301336Z /43
P R 301314Z APR 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC PRIORITY 834
INFO USDOC WASHDC

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DEPT FOR NEA/ARP

COMMERCE FOR ITA/BED/CAGNE

E.O. 11652: N/A
TAGS: BEXP, BTIO, EIND, KU
SUBJECT: FMC'S REFUSAL TO BID ON \$20 MILLION BULF FERTILIZER
HANDLING SYSTEM

1. HAMED M. ALGHANIM, LOCAL AGENT FOR FMC MATERIAL
HANDLING
SYSTEMS, APPROACHED EMBASSY FOR ASSISTANCE IN CONVINCING FMC
TO REVERSE ITS DECISION NOT TO BID ON A \$20 MILLION TENDER
TO SUPPLY GOVERNMENT-OWNED PETROCHEMICAL INDUSTRIES CO.
(PIC) WITH A BULF FERTILIZER HANDLING SYSTEM. TENDER CLOSES
IN MID-JUNE.

2. FROM THE CONVERSATION WITH ALGHANIM AND FROM OUR READING
OF THE FMC ALGHANIM CORRESPONDENCE FILE, FMC'S RELUCTANCE
TO BID SEEMINGLY STEMS FROM PROBLEMS WITH BOYCOTT LANGUAGE
IN THE TENDER DOCUMENTS. FMC DID NOT CONSULT WITH EMBASSY
WHILE IN KUWAIT.

3. ALGHANIM TOLD US THAT HE RECENTLY RAISED FMC'S NEED
TO DELETE BOYCOTT LANGUAGE WITH CENTRAL TENDERS COMMITTEE
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OF GOK AND WAS INFORMED THAT FMC DID NOT, REPEAT DID NOT,
HAVE TO SIGN BOYCOTT PROVISIONS IN TENDER AND THAT WITH
SIGNING OF TECHNICAL REQUIREMENTS TENDER WOULD BE ACCEPTED
FOR BID.

4. ALGHANIM WENT ON TO SAY THAT FMC HAD 80 PERCENT
CHANCE OF WINNING TENDER. CHAIRMAN OF PETROCHEMICAL

INDUSTRIES CO. (PIC), ABDULBAQI AL NOURI, ALLEGEDLY
FAVORS FMC OVER COMPETITORS AS DOES MAJORITY OF BOARD.
FMC'S PRIOR WORK RECORD IS WELL RESPECTED IN KUWAIT AND
IS A VERY POSITIVE SELLING POINT.

5. AS DEPARTMENT IS AWARE (AND SHOULD INFORM FMC),
BOYCOTT PROBLEMS IN KUWAIT TEND TO BE VERY SPECIFIC. THEIR
DIFFICULTY RUNS IN INVERSE PROPORTION TO THE IMPORTANCE
WHICH BODY CONCERNED WITH AWARDED THE CONTRACT ATTACHES
TO SELECTING A SPECIFIC FIRM. SINCE PIC WANTS FMC TO WIN
THIS PARTICULAR TENDER, BOYCOTT PROBLEMS WILL BE WORKED
OUT. THE PROMINENCE OF THE ALGHANIM FAMILY IN KUWAIT
WILL ALSO TEND TO SPEED UP THIS PROCESS.

6. ACTION REQUESTED: DEPARTMENT CONTACT FMC AND URGE
THEIR RECONSIDERATION OF PIC PROJECT, INFORMING THEM OF
EMBASSY'S AND ALGHANIM'S WILLINGNESS TO HELP RESOLVE THEIR
BOYCOTT PROBLEMS. SUGGESTED CONTACT WITHIN FMC IS PAUL
G. ANDERSON, MARKETING MANAGER, FMC MATERIAL HANDLING
SYSTEMS DIVISION, 3400 WALNUT STREET, COLMAR, PENNSYLVANIA,
PHONE: (215) 822-0581. MORE GENERALLY, IT IS TIME
WASHINGTON SPREAD WORD TO US FIRMS THAT THEY SHOULD
NOT TURN DOWN CONTRACT OPPORTUNITIES IN KUWAIT MERELY
BECAUSE PRO-FORMA BOYCOTT LANGUAGE APPEARS IN TENDER
DOCUMENTS.

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Message Attributes

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TAGS: BEXP, BTIO, EIND, KU
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